

The Macdonald FARM Journal



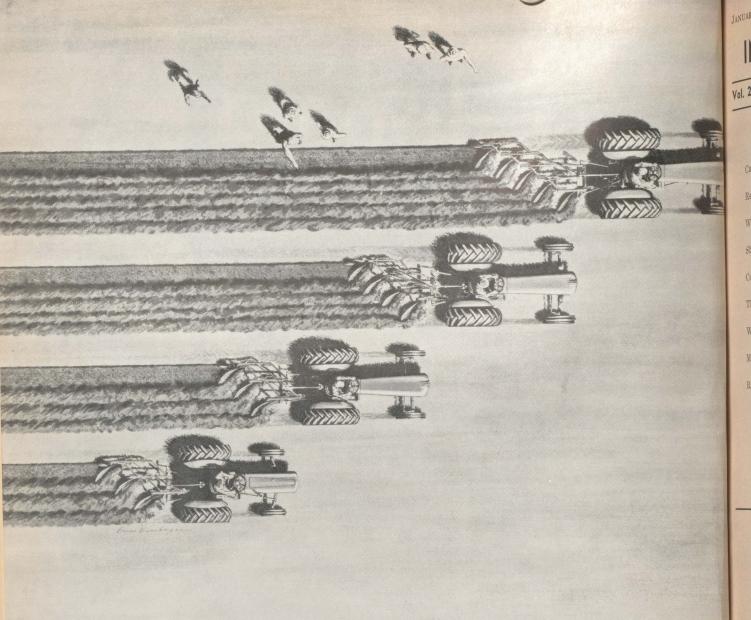
Vol 21, No. 1

January, 1960



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The Canadian Farm Situation 1959 And Outlook 1960

By David L. MacFARLANE and Cecil B. HAVER



Dairy industry has a more optimistic outlook for this year.

T this time of year when A farmers, government officials, and industries serving agriculture are considering plans for 1960, it is appropriate that an independent college should review the year 1959 and evaluate the prospects for Canadian farm production, marketing, farm prices and income for 1960. Such a statement aids in placing farm operating and agricultural business decisions in an economic context set by expectations of prices and costs, by inflationary or deflationary trends, by the effects of changing production and marketing techniques, by changes in consumption, by government programme, and by other economic factors.

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The dominant factors which will influence farm output and incomes in 1960 and of which account may be taken are (1) the income which non-farm workers will have; and (2) the volume and prices of our exports. Thus the most important task is to estimate the amount of income that Canadian families will have in 1960 and the amount they will spend on food and other farm products. This essentially requires making projections of the gross national product of the country for 1960 and of disposable income of households and individuals. It is clear that these, in turn, depend upon the policies followed by major industrial employers and by government. What will happen in these areas, particularly the latter, is now largely a matter of conjecture. The economist confronts these uncertainties by making very explicit assumptions with respect to them. The projections of an outlook statement are consequently no better and no worse than these assumptions with respect to government and industry policies.

Government and Industry Policies

The question of the prospective national economic climate for 1960 may first be approached by reviewing what has happened in 1959 and relating this to the policy measures which are expected to operate in 1960. The changes in the most important national economic measures over the past twelve months are presented below. These show percentage changes for one year ending on the indicated date (coinciding in all cases with the most recent statistics available); or they relate to an explicit time period compared to the corresponding period one year earlier:

1. Total Volume of Industrial Production, January-October,

Up 7%.

2. Gross National Product in Constant Dollars, January-September, Up 4%.

3. Personal Expenditure on Consumer Goods and Services in Constant Dollars, January-September, Up 5%.

4. Total on-Farm Employment, November 14, Up 4%.

5. Industrial Employment Index, September, Up 3%.

6. Unemployed, Seeking Work, 296,000 on November 14 compared to 361,000.

7. Consumer Price Index, December, Up 2%.

8. Wholesale Price Index, November, Up 1%.

 Commodity Exports, January-November, Up 3%.
 Commodity Imports, January-

10. Commodity Imports, January-November, Up 9%.11. Canadian Farm Price Index,

October, No change. 12. Farm Costs, August, Up 4%.

13. Canadian Cash Farm Income,

January-September, Up 2%.

 Canadian Cash Farm Income, 1959 in Constant Dollars, Down 1%.

These data portray the recovery in 1959 from the 1957-58 recession. However, the encouraging expansion in Gross National Prod-

uct which has been in progress since early 1958 slackened perceptibly in the third quarter of 1959. The increase in the value of G.N.P. in the third quarter was only 0.3 per cent over the second quarter. This was the smallest quarter to quarter gain since the beginning of the business recovery. In fact, because of the slight increases in prices from the second to third quarters, it is estimated that there was no change in the volume of production over this period.

Despite the fact that the Canadian economy has apparently levelled off, the buoyant developments in the United States, and the expectation for increased business investment in this country suggest that the upward movement of the Canadian economy will be resumed and continue through the second or third quarter of 1960. New investments by private industry in 1959 are sharply higher than in either of the two previous years, and with corporate profits reaching an all time high in the latter part of 1959, it is expected that private business investment in 1960 will exceed that of 1959. This prospective investment situation, particularly, leads to a forecast of a 1960 Gross National Product higher than that of 1959. However, Canada's foreign trade position is characterized by some disturbing elements. Merchandise imports expanded vigorously throughout 1959 while commodity exports have in the last quarter levelled off at 1958 levels. Imports from all countries in the first ten months of 1959 rose by 9.4 per cent. Total exports, however, were up only three per cent. It is estimated for the year that the overall excess of imports over exports will be close to \$600 million. In addition to this, with an increase in requirements to meet interest and dividend payments on foreign investments in Canada, the total balance of payments deficit on current transactions was in the third quarter of 1959 running at an annual rate of about 1.5 billion dollars. On the basis of the analysis provided above, we project that the real Gross National Product of this country will advance by three to four per cent in the coming year. Disposable income in the hands of households and individuals will rise at about the same rate or a little faster than national income.

Farm Prices, Costs and Incomes

To farmers this prospective situation means a strong domestic

demand for their products. About one-fourth of all personal disposable income is spent on food. While the demand for farm products is expected to continue strong, it is not expected that this situation will be reflected in any increase in farm incomes. This conclusion is attributable to the fact that for Canada rather than the population pressing on food supply the reverse is true. We are continually beset by "surpluses" or near "surpluses", and it will require some years before any significant relief from this situation is realized. This perverse relationship is considered in a later section of this report dealing with farm income problems in an inflationary period.

In view of the situation described it is projected that the general level of farm prices in 1960 will be at the level of 1959 or slightly lower. Net incomes of farmers are expected to decline because of the influence of higher costs, which are expected to rise by one to two per cent. However, some of this decline may be offset by a slight increase in commercial marketings, so that net farm income is expected to decline by only two or three per cent. The support for these statements is provided in the commodity sections which follow later in this report. It should be clearly understood also that these projections are based on the following assumptions:

- (1) The national income projected above:
- (2) no change for the worse in the international situation; and
- (3) the effect of price support policies on 1960 incomes to be about the same as that for 1959.

Agriculture in an Inflationary Economy

The unsatisfactory income position of Canadian agriculture continues, and apparently will continue for some years. Over the past ten years the index of farm prices for agricultural products has declined slightly. In the same period farm costs have increased by close to 30 per cent. The result has been a moderate decline in the net farm incomes and a rather drastic decline in real net farm income. In terms of current dollars the decline has been about 10 per cent and in real dollars or in purchasing power about 30 per cent. These facts are detailed in the accompanying table which illustrates the operation of the cost-price squeeze on the

farm industry. However, the farm industry has shown a remarkable capacity to make the kind of adjustments which have in a large degree overcome the impact of the cost-price squeeze or of the inflationary atmosphere in which the industry has operated. This has been accomplished in part by the decline in the size of the farm labour force of 40 per cent since the end of the war. In 1946 there were 1,271,000 workers in the farm industry; in 1959 the figure had dropped to 731,000. The extent of the migration out of agriculture has even been more extensive than suggested by the figures presented. This is due to the larger size of family and higher birth rates in farm areas.

The data in the accompanying table show that those who have remained in the farm industry have been able to maintain their situation measured in terms of the real incomes which they secure. This situation, however, contrasts strikingly with the non-agricultural segment of the Canadian economy in which workers have made large gains in real incomes over this period. The increase in the real value of weekly earnings in Canadian industry has been more than 25 per cent in the past ten years.

Canadians should be aware of the forces or factors which underly the situation described above. It derives from the slow growth of demand for farm products relative to the growth of the demand for other products. It has been shown that if the increase in demand for farm products were only half as fast as the growth of real consumer incomes, then there would be no farm problem as we know that problem today — in other words no "surpluses" and incomes for farmers more nearly comparable to those of non-farm workers. The farm industry is not only confronted with the slow growth of demand but also with the grave difficulties associated with actually transferring resources out of agriculture. We have experienced a very rapid move of the labour factor out of agriculture — in fact this has gone on at such a pace as to perhaps endanger the social stability of our rural areas. The United States, confronted with a similar problem, has not only experienced the same rapid migration of workers out of agriculture but has spent vast sums of public monies in an effort to remove land

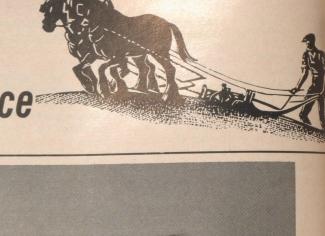
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THE DEPARTMENT OF AGRICULTURE

gives a

Report to the Province





Officials of the Quebec Pomological Society discuss plans for an upcoming promotional campaign aimed at winning more popularity for the province's home-grown apples. Left to right: President, Hamilton Marshall; Secretary, Jacques Berthiaume; Vice-president, Nolasque April.

To Talk of Many Things

by John ELLIOTT

ONEY grows on trees" This year is World Forestry Year. Even though the forests of Canada are of great importance let us talk rather of something which is related but a little closer to the farmer — the farm wood

Therefore let's take a closer look at what it is and means. The wood lot is important to the farm as a means of water and soil conservation. Wood lots provide a source of income to the farmer indirectly by its use for home fuel and directly by the sale of wood for fuel, pulpwood, lumber, posts, poles, veneer logs and sawlogs. In Quebec the sale of maple products is the largest in Canada so farmers with a maple bush have an additional income without forgetting the increasing Christmas tree market.

Many people are now realizing that there is money in trees. But just like other types of farming the success or failure will depend on good management. Some of these people in fact believe that it is important enough to form an organization to promote such an idea. Last December the Tree Farmers Association held its first annual meeting in the Morgan Arboretum, Macdonald College. This group of tree farmers have realized the value of the farm wood lot and are dedicating much of their time to promote good wood lot management.

This can be expanded by saying the purpose of the association is

to help tree farmers in the practice of tree farming, harvesting and marketing. This is achieved in making available information, stimulate activities to reduce fires, insects, disease, grazing and destructive cutting of wood lots. The Association is also striving to have more research done by Governments and industry, and to have the provincial and federal departments encourage better land use and supervision.

If you have a wood lot you should be interested in becoming a member of this association. For further information write to M. C. B. Clarke, Secretary, Carillon, Quebec. Don't forget as the Association's slogan says, "Valuable crops from wood lots."

Keeping Accounts On The Farm

farm without records is like farm without records is like a clock without hands, Mr. Nazaire Parent, writes assistant director of the Field Crops Service of the Quebec Department of Agriculture. Mr. Parent is convinced that there are far too many farmers who work the whole year round without finding out what their farm is producing. This is a mistake which only good book-keeping can correct.

Sleepiness, lack of education and reluctance to discover losses (perhaps because of the mistaken idea that "where ignorance is bliss 'tis folly to be wise") — this rigmarole of excuses for not keeping accounts is no real hindrance to anyone who wants to make a success of his undertaking. In spite of these difficulties, a great many farmers, by keeping accounts, have discovered and eliminated various sources of loss and put their farms on a paying basis.

Furthermore, one of the conditions for obtaining credit is the keeping of accounts based on a complete annual inventory. For credit is extended largely on the basis of a farm's productivity and the applicant must be in a position to produce figures to show

what this actually is.

The word "inventory" means a list of possessions, or a list of possessions with their estimated values. These include real estate, implements and horses, livestock, crops and other farm produce, cash on hand or in the bank and accounts receivable. In general, the inventory is the compass which tells the owner of the property where he stands and in which direction he is heading from one year to the next. Without an inventory it is impossible to understand the financial statement of a business.

There are different ways of going about it but, for the purpose of keeping accounts on the farm, property may be listed under the

following headings:

Real estate; under this heading should be listed separately; land, buildings, woodlots, sugar bush and, in brief, all improvements of a permanent nature which would remain on the farm in the event of sale;

Implements and horses; the majority of the items to be listed will come under this heading because of the wide variety of equipment called for by the system of mixed farming now in vogue on most Quebec farms. It is important to take considerable care in making this first inventory: after that it will only be necessary to make a few simple alterations at the end of each year to bring it up to date. This annual stock-taking will also serve as a reminder of any machine or tool borrowed or lent, which has not yet been returned to its rightful owner. Since horses cannot work without harness and implements, they are entered under this heading. This category includes the more important fixed expenses which help towards production but do not bring in any direct income;

Livestock; a complete list of cattle with their working equipment and utensils, specifying the name and age of each so that annual changes will be easily noted, is entered here. In the case of poultry, pigs and sheep, it is enough to record their number and value on-

Crops and other produce; some farm yields are difficult to estimate, for example, the number of tons of hay, turnips, silage, etc. Experience and good judgement, however, will enable the farmer to overcome this difficulty and arrive at a satisfactory figure since the error will be of about the same kind and size each year;

Financial assets; these include cash in the bank and on hand and sums of money not yet received.

The five categories just mentioned, namely real estate, implements and horses, livestock, crops, and cash, represent the assets or owned property of the farm. Mortgages, bills and notes payable make up the liabilities or unowned property. The total assets minus the liabilities gives the net worth or property of the farmer at the time of the inventory.

In drawing up an inventory, it is always necessary to remember that there is much more likelihood of overestimating (and more danger in doing so) than of underestimating.

The festive season is now over

and a new year is just beginning. It is a good time, surely, to make the resolution to start the habit of keeping accounts on your farm in the year 1960. Your local agronome is handy and he is ready to help you with any professional advice you may need.

JEWS BACK SLAUGHTER REGULATIONS

The Canadian Jewish Congress recently expressed satisfaction with the new Agriculture Department regulations declaring humane the Jewish ritual method for slaughtering food animals.

The CJC comment was in a statement released over the names of Rabbi S. M. Zambrowsky of Montreal and S. M. Harris of Toronto, co-chairmen of a special committee.

In Ottawa Dec. 29 the Agriculture Department announced new regulations to ensure humane slaughter of food animals but declared humane the Jewish ritual method called "schechita."

The statement by the congress

"Schechita has been universally recognized as humane. We therefore note with satisfaction that the new order regulating methods of animal slaughter recognizes this fact and lists schechita as one of the methods considered humane."

Under the ritual the animal must be conscious when killed. A religious functionary called a schochet performs the killing using a razorsharp knife in a single stroke.

The new regulations, however, prohibit shackling animals to prepare them for slaughter, a method used now in preparation for the Jewish ritual.

The ban is effective Dec. 1, 1960, delayed to allow slaughter houses time to install approved preparation devices. A CJC spokesman said he felt sure humane devices could be introduced.

Koshering of the conscious animal has been outlawed in the Scandinavian nations and there has been some agitation to have the Jewish ritual restricted in this country as well, particularly with larger animals where the schechita stroke could not possibly produce instantaneous death.

CANADIAN FARM SITUATION

(Continued from page 5)

from agricultural production. This has been through the device of the Soil Bank programme. In that country it has been seriously proposed that large amounts of land now in farms be diverted to the public domain in an "Homesteads in Reverse" programme. This fact is indicated at this point, not as a recommendation of such a programme, but rather to indicate that the basic farm problem is one of excess resources, not only of people but of land, too.

The way in which technology is pressing on demand is indicated by the fact that in the United States over the past ten years, crop yields have increased from 20 per cent to 75 per cent. While efficiency in livestock production has not increased as greatly, it should be noted that in the United States there has been over the same period a 40 per cent gain in broiler production per unit of feed. The technical achievements in other classes of livestock are also very important. These data are presented here to indicate that the basic problem of agriculture on this continent is one of an excess of resources employed in the farm industry in view of the rapid gains which are being made in technology. Because of the nature of forces operating on the supply of food and on its demand, there is little possibility of early relief from the situation of the past ten years. What is important is that farm policy should promote adjustments which will tend to balance the resources in agriculture with the prospective demand for its products.

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Changes in Price Supports

With unsatisfactory prices for many agricultural commodities, and with supports on commodities on the mandatory support list at generally high levels, 1959 was an active year for the Agricultural Stabilization Board. The nine mandatory products remained under support, and eight other products (dried skimmed milk, soybeans, sugar beets, honey, sunflower seeds, turkeys, and milk for manufacturing) were supported. The support for dried skim milk was discontinued on September

30th, 1959, although the 25c per hundredweight subsidy on milk for manufacturing purposes continues in effect. How much of this support is effective at farm level, how much is represented in terms of benefits to consumers, and how much has been absorbed by the trade, is not clear at this time. Government payments under the manufacturing milk subsidy will be about seven million dollars for the year 1959.

The major change in price support policy was the shift over from a government purchase programme for hogs and eggs to a deficiency payment scheme. Effective 11th January, 1960 the government will support the price of hogs on the basis of a national average price of \$22.64 per hundredweight, with the support limited to 100 hogs per shipper. The plan for eggs went into effect on October 1st, 1959, the support level being 44c per dozen for Grade A large eggs, and the support limited to annual deliveries of 4,000 dozen Grade A large or Grade A extra large eggs.

The move to deficiency payments was widely criticized both by farmers and national farm organizations. The criticism has been directed not only at the mechanics of the schemes but at the restriction on amounts of product to which supports would apply. Medium to large scale operators in hogs and poultry will receive support on only

NET FARM INCOME COMPARISONS, 1946-59

Year	Net Farm	Net Farm	Net Farm	Net Farm
	Income	Income, Constant	Income,	Income,
	Current \$,	1949 \$,	per Worker	Per Worker
	Millions	Millions	Current \$	Constant 1949
1946	1,078	1,391	846	1,092
1947	1,130	1,333	963	1,135
1948	1,554	1,602	1,308	1,348
1949	1,416	1,416	1,268	1,268
1950	1,220	1,186	1,144	1,113
1951	1,937	1,704	1,953	1,718
1952	1,919	1,648	2,066	1,774
1953	1,644	1,424	1,805	1,563
1954	1,025	882	1,131	974
1955	1,290	1,108	1,458	1,258
1956	1,458	1,235	1,802	1,536
1957	1,062	871	1,367	1,125
1958	1,278	1,022	1,709	1,381
19591	1,200	949	1,642	1,298

¹Estimated on the basis of the first three quarters.

a small proportion of their output. While this is ostensibly directed at vertical integration involving financing by feed companies and processors, it will apparently affect just as importantly large scale operators who undertake the financing of their own enterprises. The move will in general terms represent a blow to improvement in efficiency in Canadian agriculture, necessary not only to meet the interests of Canadian consumers, but also to keep Canadian agriculture within the general range of efficiency found in such countries as the United States, Denmark, and New Zealand.

SITUATION AND OUTLOOK — COMMODITY ANALYSIS

Wheat: While world wheat production for 1959-60 is expected to be eight or nine per cent below the record level of the previous crop year, September 1 stocks of the four leading wheat exporters (Canada, United States, Australia and Argentina) on September 1st were 2,635 million bushels or about 2 per cent higher than one year earlier. The indicated reduction in production in 1959-60 is due to smaller crops in the United States and the Soviet Union. Production in Western Europe is the largest on record and for this reason import requirements in this normally deficit area are expected to be lower than normal. Crops in Great Britain, our largest European market, were large and of good

While world trade in 1958-59 was up by some 70 million bushels over the previous crop year, most of the increased trade was represented by exports from the U.S.-S.R. These shipments cut sharply into markets which otherwise might have been met with Canadian and American wheat. Most of the recent growth in the world wheat and flour trade has been accounted for by large imports into Asia, particularly Japan, India, Pakistan and several other less well developed countries.

Estimates for total world trade in 1959-60 are for about the same quantities as in the previous crop year. However, imports into the European countries may decline by some 50 million bushels as compared with last year. This is of particular significance to Canada. Total exportable supplies are generally higher than a year ago and the pressure to sell will increase accordingly. Australia, France and Spain have considerably more

wheat for export, while Argentina, Turkey and Italy and U.S.S.R. have somewhat less. Canada and the United States hold the great bulk of export wheat supplies far in excess of what they will be able to sell abroad. It is interesting that the U.S. Department of Agriculture noting the interest of Canada and the United States in avoiding any serious disruption of world wheat prices, projects Canadian exports for 1959-60 at 280 to 285 million bushels. It also projects a 30 million decline in U.S. wheat exports from the 443 million bushel level reached in 1958-

Canada's 1959 wheat crop is now estimated at about 414 million bushels, 11 per cent over that of the previous but 16 per cent below the ten year average. Carryover last July 31st was 546 million bushels, the lowest in the three year period. With the moderate size crop of 1959 a further decline in the stocks on hand for July 31st, 1960 are projected. This is expected to occur despite the projected decline in exports from Canada. Recent trends in production supply and disposition are presented below in thousands of

of Wheat Board prices basis Fort William is from \$1.655 for No. 1 Northern in store Fort William down to \$1.435 for feed wheat. Since the 1953 crop farmers have received prices at the farm level ranging from \$1.24 per bushel to \$1.37 per bushel. The 1958-59 pool has not been closed. However, it is expected that it will yield a price close to the \$1.28 realized in 1957-58.

Considering the unfavourable relationship between farm prices and farm costs for wheat and the projected further difficulties in marketing which are described above, both the position and the outlook for the wheat industry are adverse.

Coarse Grains: Feed grain production in 1959 slightly exceeded that of the previous year. Supplies are still very high, being at about the level of the average of the past five to six years. The price and the prospective output outlook for livestock and livestock products is not sufficiently favourable to suggest any particular strengthening of the prices of coarse grains. Even though world trade in coarse grains has increased substantially over the past four or five years, exports from Canada in 1958-59

Crop Year	Pro- duction	Beginning Inventory	Total Supply	Exports Wheat and Flour	Domestic Disappear- ance	Ending Inventory
1951–52	554	189	743	356	170	217
1952-53	702	217	919	386	150	383
1953-54	634	383	1.018	255	144	619
1954-55	332	619	951	252	162	537
1955-56	519	537	1.056	309	164	580
1956-57	573	580	1,153	262	155	734
1957-58	386	734	1,120	316	159	639
1958-59	372	639	1.011	294	171	546
1959-60	414	546	960	280*	175*	505*

^{*}Estimated.

The high quality of the wheat harvested in 1959 should be a favourable factor in Canadian exports. However, with European demand falling, financing under Colombo Plan and other special arrangements will likely be necessary to secure the projected 280 million bushel export.

Producers' marketings since last August 1st, have run a little below those of the corresponding period of 1958-59. Exports of Canadian wheat in the four months of the crop year were slightly ahead of the previous year. As for several years the initial price to farmers is \$1.40 for No. 1 Northern basis Fort William. Prices range from this level down to 96 cents for feed wheat. The current range

were low in comparison to recent years. It is projected that there will be a further increase in world trade in coarse grains in 1959-60. However, it is not clear that Canada will share significantly in this increase.

Dairy products: Total milk production in Canada in 1959 is estimated to be almost exactly the same as in the year 1958. This restraint on any increase in production was a favourable factor in bringing supplies and various dairy products more closely into line with demand. Thus a near balance between production and demand which was achieved by the end of 1959 was due among other cir-

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LAWRENCE T. PORTER

Agriculture and the Aberdeen-Angus breed, in particular the Quebec fraternity, lost a staunch supporter in the passing of Lawrence T. Porter, on January 7th. Larry, as he was commonly known by the breeders, was a suc-

Larry, as he was commonly known by the breeders, was a successful mining, shipping and construction engineer. Prior to his retirement from active business he spent much of his time at his farm in St. Andrews East, Quewhere horses and black Angus were his true love.

The drive that was attributable to his success in the business world was applied to his Angus enterprise. He travelled far and wide in his quest for top quality foundation stock and in the course of a short period of time his Birch Bell Farm was breeding

cattle that generally found their way to the top of the show ring. In the three years that the Montreal Show Mart was an open interbreed competition Larry had Grand Champion Steer. Twice his steers have taken top honours at Sherbrooke.

He enjoyed similar success in the breeding classes everywhere he showed and at the most recent Toronto Royal brought Reserve Grand Champion Female honours to Quebec. His breeding stock has done much to elevate the quality of blacks throughout the Province, and the name Birch Bell will appear on pedigrees for a long time to come.

He is survived by his wife and two sons, George and Lawrence

Jr.

CANADIAN FARM SITUATION

(Continued from page 9)

cumstances to the following: (1) the reduction on May 1st, 1959 of the support price for spray skim milk to ten cents per pound, roller skim milk to eight cents per pound, and the discontinuance of this support on 30th September; (2) the disposition of large amounts of dried skim milk through international relief shipments and to other exports; (3) channeling substantial amounts of dried skim milk into animal feed; and (4) the disposition through subsidized exports of some ten million pounds of butter.

Since the amount of milk entering fluid uses, cheese, concentrated milk, and ice-cream all increased during 1959 by an amount comparable to the population increase or a little faster, the entire impact of the adjustment in the dairy industry fell on butter. It is estimated that butter production fell from 336 million pounds in 1958 to 320 million pounds in 1959. Year end butter stocks were estimated at about 111 million pounds. While this figure is large in terms of comparison with recent years, it cannot be considered disturbingly large. The types of adjustment which occurred in 1959 are expected to continue through 1960 with the prospect that year end stocks in that year will be at nearly normal levels. However, the industry is beset by a continuing decline in per capita consumption. Another factor which may deter the adjustment of butter production and stocks in 1960 is the present level of support price on the product, 64c per pound basis Montreal.

Fluid sales of milk accounted for 31.2 per cent of total production in 1959. Per capita consumption has remained fairly constant in recent years. It is expected that the upward adjustment of prices at farm and retail levels will not be sufficient to affect per capita consumption since incomes in the hands of consumers will be higher than in 1959

Consumption of ice-cream in 1958 was at high levels, due mainly to the hot weather. However, considering the patterns of incomes in this country and the fact that ice-cream consumption is quite responsive to increased incomes, it is expected that the upward trend in per capita consumption will continue.

In general terms 1959 was a very successful one for the cheese industry. The limited supplies available in world markets caused cheese prices to rise to record levels, substantially higher than in 1958. In view of this, Canada found little difficulty in exporting about 15 million pounds of cheese. With production at about 100 million pounds in 1959, higher than in any of several recent years, and with the export market referred to, year end stocks, estimated at nearly 50 million pounds, represent no problem. A notable factor

(Continued on page 18)

Letters for our BEEF SECTION

THE REASON WHY?

Dear Sir:

Did you ever hear that Napoleon's defeat at Waterloo could be traced to his bad breakfasts? He was very fond of fried potatoes, which are not only bad for the pituitary but for all the other glands.

Khrushchev, on the other hand, is a student of dietetics, as well as Marxian-Leninism. He probably breakfasts on black bread and fruit juices. Anyway, he is getting results that Napoleon would envy.

Student of Dietetics

NOSTALGIC MEMORIES

Dear Mr. Green:

The fitness people are now touching the walking stick as a simple and effective aid to better physical condition.

Far be it from us to dispute this worthy purpose, but our own nostalgic wish for a return of this now outmoded masculine accourrement has rather different roots.

One is the jaunty, debonair feeling a man derives from a slim cane tucked under the arm, or a heavier one twirled in the hand by its crooked handle. But there are some other and more practical considerations.

Nothing is more practical than a walking stick for fending off the gauntlet of yapping dogs between the bus stop and so many suburban homes. Indeed, the very carrying of a stick seems to clear a tranquil path by magic. And what implement is better suited for such odd jobs as pulling down the ripe blackberries at the top of the bush, or rescuing kites from trees?

A stick helps traction in mud and bodily stability in snow. It also offers something to lean on, taking some of the load off the tired feet, while waiting for a tardy wife.

"Old Timer"

BE HUMANE

Dear Editor:

I think there is an important issue

to deal with concerning the welfare of animals.

This subject comes up now and then before the public, but quickly dies down again.

I refer to the slaughter methods.
If civilization just cannot get
along without meat, for God's sake
let's get a humane method of killing. Most meat eaters cringe at the

thought of even seeing how these four-legged friends have their lives ended.

Let's have open house at, and films of these nightmare centres. Let the public see the light. It is often said that man creates his own hell on earth, but he sure created one for his co-earthlings.

Looking-for-the-Light

"ANY OLD PENNIES, TODAY?"



Though he carries a brandy barrel around his neck, Garth, a six month old St. Bernard dog, is not out to rescue victims of bad weather. Garth owned by Mr. L. A. Riddall, licensee of the Railway Hotel, Battle, Sussex, is trying to fill the empty barrel with £100 for the League of Friends of Battle Hospital; and the St. Bernard looks happy as he claims another 'victim', and another penny for the Fund.

SHORT STORY

The Battle of the Kettle

by Lowell HENRY

HE tea-kettle was just about the first thing my wife and I ever quarrelled about I guess. It was the first week we were marrie and we were still at that stage when we ate breakfast playing patty-cake with our bare feet under the table and our eyes gazing so deeply into each other's souls that we couldn't steer our porridge spoons straight. I spilled a bit of egg on my pyjamas, the special ones I had bought for my trousseau, and the situation called for a dab of soap and hot water in a hurry. But when I grabbed the tea kettle it lifted as if it had been filled with hydrogen.

"Now darling," I said, "there are two things in this house we need never be short of. One is love and the other is hot water."

"I used all the hot water for our coffee," she told me.

I was very gentle about it, of course, but I was firm too. "Look here darling, let's keep the kettle full from now on, shall we? It's just as easy."

"How can you be so stupid?" she asked. "Do you know how long it takes a full kettle to heat?"

So then we had our first little friendly debate. But try as I did, I couldn't make her see the light. When she wanted hot water she wanted it in a hurry and that was all there was to it.

"But darling," I persisted, "all that you have to do to have a whole kettle full of hot water is to put it on just ten or fifteen minutes earlier. That's all."

"O.K. then honey," she cooed, "you win the argument. Every morning after this you get up fifteen minutes earlier to put the kettle on. All right?"

So that's the way I won the argument. Every morning for the next year I got up first and saw to it that there was a good fire under a full kettle. And wouldn't you know it? For the rest of the day that kettle would be gurgling with thirst any old time I happened to look at it. It isn't that my wife is scatterbrained or a poor cook, either. She's a remarkably fine woman really. But she just doesn't know how to look after a tea kettle.

But I was a very forceful young man when I was first married and I told myself over and over that come what may this was going to come to a cease. There was a serious principle involved here.

Then about two winters later, I wanted a kettle of hot water for an emergency one Saturday, and the kettle was bone dry. And this time I couldn't just fill it up and wait, because the emergency I wanted it for was to thaw out our pump.

And right when my lecture was getting the most fluent, her parents dropped in for a visit. "Well, well!" my father-in-law said, "so our turtle doves aren't making love today!... Son, you don't know how happy you've made me! It's been lonely thinking that I was the only unreasonable husband around."

His wife gave him a fat elbow in his bay window. "Now you kids might just as well tell us what's up," she said.

So we did. Twice. My wife telling her side first and then the wife and I combining to tell my side. "It's just a matter of organization," I explained. "There isn't a reason in the world why that kettle can't be kept full."

My father-in-law tilted his chair out of elbow reach and stoked up his pipe. "Used to argue about that myself once," he laughed.

But the women didn't laugh. Pretty soon I felt as though I were marking time in my underwear before two full colonels.

Well, back on the far end of the old place we had a woodlot just as we have now, and a woodlot is the best place I ever saw to work off a mood. And when the speeches got to a pitch that made the dog start chasing his tail that day, I gave him the eye and we started back. I was sore. And my fatherin-law tilting back in his chair and laughing through his smoke rings, didn't help me any. When I got to the bush I knocked down three poplars so fast the dog began to whimper for fear I'd have a heart attack. I was hard at number four when I was suddenly aware of my father-in-law tapping me on the shoulder. "Let me have that axe," he said.

He wasn't laughing any more. I thought he was gong to bite his pipe right through. "What happened to you?" I asked.

"Happened to say a quiet word in favour of a full tea kettle," he

After a while when we had both worked some of the flame out of us, we sat down on a stump to talk it over. I said, "Must be a wonderful thing to be able to understand a woman, don't you think?"

He took a hard spit at the snow. "Lover boy," he said, "anybody who says he understands a woman merely means that his hearing is good."

I thought about that bit of wisdom for a good many years after, and the old parched kettle kept gargling away with the few spoonfuls of water that my wife saw fit to give it. Pretty soon the kids began to come, little rivets in the bonds of matrimony, so my mother-in-law declares. But they came with more than blessings attached, and we needed hot water for diapers. Tons of it.

But the water line in the tea kettle never went up an inch. A new copper boiler, a couple of wash tubs and a soft water reservoir tacked onto the kitchen stove tried to take care of the new requirements. But it took so dreadfully long for water to heat in any of these containers and the wife was continually trying to bring them to the right temperature by pouring in whatever might be boiling away in the tea kettle. It was never enough, of course, and on my braver days I used to tell her so. "Now if you had only filled that kettle—"

I'd never get any farther.
"If I had filled it, it would still

be cold," she'd say.

Well last week the boys and I hooked up a hot water system in the cellar. It took us all of Saturday to do it, but finally the taps were full of lovely steaming water. "There now darling," I said to the wife, putting my arm around her, "you've been a good wife for a long time now, and I want you to accept this small token of my appreciation. . Hot water...gallons of it...just right for washing..."

She didn't say anything right away, as if she were trying to figure out the best way she could say thanks. Then she went upstairs

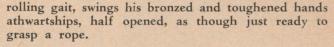
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The Country Lane

DELIGHT UNSUSPECTED

Wind in shimmering, fragile lace, Fawnlike, shying, fluttering grace, Sunlight glinting, glimmering back, A cobweb on a railroad track.

MARGARET SIMPSON



RICHARD HENRY DANA, Two Years Before The Mast, 1840

HORNPIPE

I've a pal called Billy Peg-leg, with one leg a wood leg, And Billy he's a ship's cook, and lives upon the sea; And, hanging by his griddle, Old Billy keeps a fiddle,

For fiddling in the dog-watch, when the moon is on

Then it's fun to see them dancin', them bow-legged sailors dancin',

To the tune o' Peg-leg's fiddle, a-fiddlin' fast and free; It's fun to watch old Peg-leg,

A-waltzin' wi' his wood leg,

When bosun takes the fiddle, so Peg can dance with

We takes our luck wi' tough ships, wi' fast ships, wi' free ships,

We takes our luck wi' any ship to sign away to sea:

We takes our luck wi' the best o' them, And sings our songs wi' the rest o' them,

When the bell strikes the dog-watch and the moon is on the sea.

BILL ADAMS

JACK OF ALL TRADES

A thorough sailor must understand much of other vocations. He must be a bit of an embroiderer, to work fanciful collars of hempen lace about the shrouds; he must be something of a weaver, to weave mats of ropeyarns for lashings to the boats; he must have a touch of millinery, so as to tie graceful bows and knots, such as Matthew Walker's roses, and Turk's heads; he must be a bit of a musician, in order to sing out at the halyards; he must be a sort of a jeweller, to set dead-eyes in the standard rigging; he must be a carpenter, to enable him to make a jury-mast out of a yard in case of emergency; he must be a sempstress, to darn and mend the sails; a ropemaker, to twist marline and Spanish foxes; a blacksmith, to make hooks and thimbles for the blocks: in short, he must be a sort of Jack of all trades, in order to be master of his own.

HERMAN MELVILLE, Redburn

BRISTOL FASHION

A sailor has a peculiar cut to his clothes, and a way of wearing them which a green hand can never get. The trousers, tight round the hips, and thence hanging long and loose round the feet, a superbundance of checked shirt, a low-crowned, well-varnished black hat, worn on the back of the head, with half a fathom of black ribbon hanging over the left eye, and a sliptie to the black silk neckerchief, with sundry other minutiae, are signs, the want of which betrays the beginner at once. Besides the points in my dress which were out of the way, doubtless my complexion and hands were quite enough to distinguish me from the regular salt, who, with a sunburnt cheek, wide step, and

BLOW THE MAN DOWN!

And Neddy he swore by bitt and bend, and Billy by bend and bitt,

And nautical names that no man frames but your amateur nautical wit;

And Sam said, "Shiver my topping-lifts and scuttle my foc's'le yarn,

And may I be curst, if I'm not in first with a kipperling slued astarn!"

SIR OWEN SEAMAN



The Better Impulse

NEWS AND VIEWS OF THE WOMEN'S INSTITUTES OF QUEBEC



PARTY LINES

By Anna E. Bernhardt, Provincial Convenor of Home Economics

HEN you have read this, Christmas will have come and gone, but may its memories linger on. While we are still in the holiday mood and programme planning just around the corner perhaps these party ideas may be helpful.

Calendar Cakes are just squares of cakes iced white all over. When icing is dry, mark each top off into sections to simulate the leaf of a calendar. Dip a fine brush into melted chocolate to write the names of months and the abbreviations for the days of week.

Diary Game — needs long slips of paper at the head of which is written the name of one of the guests. These names are folded down so that the player receiving the slip next cannot see the name. They write what they did on Monday, fold down the paper and pass to the next person who writes what they did on Tuesday. This continues until a full week's outline is completed. Slips are then collected, redistributed and read aloud.

Scrap Book Tea: Everyone is required to bring a scrap book. Anyone who has no scrap book, or has

OFFICE HAPPENINGS

Janet, Ruth and Norma of the QWI staff want to thank all those thoughtful members who sent us Christmas cards. The office looks so gay and cheerful that we are going to leave them up for a long time

The Semi-Annual Board Meeting is planned for Jan. 29-30, at the YWCA in Montreal. Board members will have received notification by the time this is printed, and the branch subjects to be discussed at that time that are of importance to every WI member. Come prepared.

never made one, is required to borrow one. You can imagine what a variety of interest will be represented. There won't be a dull moment in the entertainment and many suitable programme ideas can be had from the various books.

Push Cart Bazaar: It will be an outdoor affair. All workers wear bright gypsy or peasant costumes to create the atmosphere. Food booths where the popular favourites, hot dogs, hamburgers, sandwiches, coffee and ice cream, are sold are stationary. Among the carts might be a second hand book cart, a grab cart, a white elephant

cart and Tony's vegetable cart. A gay, capering creature will be the balloon man. An old apple woman will sell her wares from a basket. A strolling musician in costume plays the accordion. Probably your community would welcome the opportunity to patronize such a gay affair.

In my outline for the year, I spoke of the homemakers ultimate goal as respecting the rights of each other in the home, and the teaching of love for home, country, fellowmen and God. As a fitting closing may I quote this New Year's prayer:

Dear Lord, I thank Thee for the passing year,

For the rich experience it gave to me.

For every sympathetic smile, for every tear,

For friendships true and lasting.

Blot from my book all thoughts and deeds unwise.

Dear Lord, I thank Thee for the coming year,

For opportunity to stand once more,

Upon a New Year's threshold. Watch o'er me that my lamp keeps shining bright

And that I gain in courage, truth and right.



BROMPTON ROAD had a contest of hats made from kitchen utensils. Standing left to right: Mrs. F. Goodfellow, Mrs. D. Cullen, Mrs. E. Goodfellow, (the winner) Mrs. G. Decoteau, Miss V. Hatch. Seated, Mrs. M. Macdonald and Mrs. H. McLeod.

What Is Mental Retardation?

An Important Article on an Important Topic

Brought to Our Attention by Mrs. Rember, Convenor of Education

M a disease, but a condition of impaired or incomplete mental development. Medical authorities estimate at least 70 known or suspected diseases or mishaps, occurring either before or during birth or in early childhood, that can give rise to mental retardation. Three children out of every 100 are mentally retarded. All parents are vulnerable, notwithstanding their economic status, race, color or religion.

Regardless of the degree and cause of handicap, the retarded present a common characteristic—the need of "special help" during all or part of their lives. Every child so born has the right to this help in a modern society; without it he will not live—he will merely exist.

Mental Retardation falls into 3 primary classifications. The first and largest - "Educable Retarded" — comprises children with an I.Q. of 50-75. Their learning handicap is usually most evident in academic subjects. However, given the opportunity, they can usually progress enough in reading, arithmetic, social and vocational skills to become partially or even completely self-supporting. These children should be educated in "special" or "auxiliary" classes in the regular schools, and in Montreal both school systems provide such classes. However, they also need special training and vocational guidance beyond economically self-supporting; as well as recreational and social facilities for their spare time. These are not being provided in adequate measure at the present time, and the provision of these services remains one of the objectives of the Association.

"Trainable Retarded" is the second classification and this group is primarily helped by the Association for the Help of Retarded Children (Quebec) Inc. These children have an I.Q. of 25-50 and develop at less than half the rate of the normal child. They respond to limited training which, in most cases, can enable them to become partially self-supporting in sheltered conditions of employment. However, the great majority of children in this group are denied any schooling whatsoever. Based on birth rate figures issued by the Dominion Bureau of Statistics, there were over 5000 such children born in the last ten years in the Province of Quebec. The Association is endavoring to increase the number of classes for these children throughout the province.

The third classification is known as the "Custodial" group with an I.Q. of 0-25. Most of these children require whole time institutional care for the rest of their lives. Fortunately, only 1 out of every 1000 population falls into this category, but their numbers are nevertheless significant.

In addition to the custodial children, some of the educable and trainable retarded require institutional care because of emotional problems. When one considers the frustrations and stresses that a retarded child suffers at the hands of those who do not understand his limitations and problems, it is not surprising that some of them should become mentally disturbed as well as being mentally retarded. The aim for these children should be to cure their emotional instability and rehabilitate them. Unfortunately, this is not being done on an adequate scale even though it is far less costly to take this constructive approach than to have these children vegetate in institutions that provide only food and

The Association for the Help of Retarded Children (Quebec) Inc. was formed in 1951 by a small group of parents of mentally retarded children in Montreal. These parents, frustrated and distressed by lack of governmental interest and public knowledge of their problem, decided to take the matter into their own hands. Medical support was gained and after many setbacks a class for trainable children was finally started in the basement of a church in Hampstead in 1952. From this small beginning the Association has grown to include 2 branch schools in Montreal, and schools at Sherbrooke, Hull, L'Abord a Plouffe and Pointe Claire - largely through the dedication and personal self-sacrifice of the organizers and parents and the generosity of an awakened public.

The Association encourages parents to adopt a realistic and positive attitude towards their problem. General meetings are held throughout the winter at which medical, educational and other authorities address the members on some as-

pect of mental retardation, and at which the members can meet each other socially and realize that there are many other parents with their problem. Membership is not, of course, confined to parents; anyone who is interested and willing to help is welcome, and many of our members are non-parents. Together with the parents, they work on fund raising activities (no professional organizations are hired for this purpose), on various committees and on cleaning, painting and repairing school premises. Other non-parents assist the teachers at the schools. With such volunteer help, costs are kept to a minimum and every dollar is made to count.

This Association, in helping retarded children and their families, feels that despite what has already been done it is but scratching at the surface of the problem in this province. Our ability to get to the roots is limited only by the amount of financial aid we receive. We are the only ray of hope there is for hundreds of parents whose children are on our waiting list and for whom help from any other source is practically non-existent.

Each week this year 80 babies were born in the Province of Quebec who will eventually fall into the three primary classifications of retardation previously mentioned.

You can help us to help them.

Accept the retarded child for what he is — a human being with a slower than normal rate of development.

If you are a doctor, nurse, social worker, priest, rabbi or minister, and know of parents with retarded children, tell them about this Association.

If you are a teacher, ask yourself whether your school is carrying out its responsibilities with respect to special classes for the educable retarded. If the answer is "No", you can help.

If you are a member of a service club, approach the other members to see whether the club would help us financially or assist us in organizing a branch of the Association in your community.

And everyone, anyone, can help by supporting our fight for better schools and better institutions.

RETARDED CHILDREN CAN BE HELPED!

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The Month With The W.I.

REETINGS to all Publicity Convenors and Q.W.I. members. December was the month of Christmas Cheer, and what a tremendous amount the Q.W.I. dispenses. To the sick, aged, shut-ins, and to Hospitals and other Charities. December meetings followed the Christmas Theme, with members enjoying carols, stories, and gift exchanges together. Now we go forward, making plans and pondering the mystery of what is to come in the New Year.

ARGENTEUIL

ARUNDEL members saw two interesting films, "Trail of 98," and "Land of the Midnight Sun." BROWNSBURG entertained the teachers, members of the School Board and the Home and School executive of Brownsburg High School, at their meeting. DALESVILLE ladies were guests of Frontier WI. A debate was held: "Are Our Modern Girls Better Than Our Great-great-grandmothers?" The affirmative side, taken by the visitors, won, after a humorous discussion. A singsong and contest were enjoyed. JERU-SALEM-BETHANY Plan to cater for a wedding. LACHUTE heard Dr. F. W. FitzGerald speak on "The Changing Role of the Doctor in Our Society." Plan a Bring-and-Buy Sale. PIONEER bought flannelette, and plan a "bee" to make layettes for the U.S.C. UP-PER-LACHINE-EAST END entertained the County President, who gave a talk on Citizenship.

BONAVENTURE

BLACK CAPE planned a social evening and will pack a box of clothing for U.S.C. Life Memberships were presented to five Charter Members on the 10th Anniversary of this Branch. The ladies honoured were: Mrs. R. Brake, Mrs. L. Henderson, Mrs. H. Northrope, Mrs. N. McNair and Mrs. R. W. Willett. GRAND CASCAPEDIA bought Poppies and a wreath for the Cenotaph. Made \$75.72, at a Masquerade Dance, and will collect jams, jellies, and pickles for the Marcil Hospital. MARCIL sponsored the Hallowe'en Shell Out for UNICEF at the Shigawake-Port Daniel School, poppies were sold and this branch was represented at the Cenotaph. PORT DANIEL Heard an address on Citizenship by Rev. I. Bockus. Held a Bring-and-Buy sale and collected \$21.56, for UNICEF. The Branch President attended the Remembrance Day ceremony. RESTIGOUCHE: Held a card party and plan a social evening. \$11 was sent to the Service Fund, the members having made \$1 each for this purpose. Gave \$2, to UNICEF.

CHATEAUGUAY-HUNTINGDON

DEWITTVILLE had a weaving demonstration. HEMMINGFORD planned Christmas Cheer, and displayed inexpensive homemade gifts. HOWICK brought gifts to be sent to the Montreal Welcome Hall Mission. A talk on the work of the Mission was given. Demonstration of Christmas candy making. HUNTINGDON brought in a gift for a shut-in for their Roll Call. Four C.G.I.T. girls gave an interesting report of Summer Camp at Magog, and sang Camp songs. ORMSTOWN had a discussion on the effect of Radio and TV on family life. DUNDEE made up a

special Christmas hamper to send to an invalid. Meeting was cancelled because of Mrs. David Smellie's death. Mrs. Smellie, aged 91, was the last Charter Member of Dundee branch, and had been a very active member until shortly before her death.

COMPTON

BURY sang carols and exchanged gifts, made donations to the Anglican and United Church Sunday Schools for Christmas treats. 10 subscriptions for the Federated News were collected, and Roll Call was answered by drawing the name of a shut-in to be remembered at Christmas. COOKSHIRE Mrs. Abercrombie spoke of her trip to Scotland. Heard other short talks. Packed cotton for cancer dressings, and a parcel of used articles and knitted squares sent to Unitarian Relief. Helped at a supper, proceeds of which were given to the Compton County Historical Museum Society. EAST ANGUS will pay for cocoa at the school. Roll Call was: "What Do You Read First in the Newspaper?" Kenwood Blanket received, by this branch to help raise money for all members to attend the 1961 Jubilee. \$5 given to the School for Retarded Children, and a Paper Drive planned. EAST CLIF-TON brought scrapbooks for the Children's Ward at Sherbrooke Hospital. Planned Christmas Cheer for aged and shut-ins, and made a donation to minister's salary.

GATINEAU

AYLMER Miss I. Derby, County President gave a talk on "Citizenship" at the 34th Annual Meeting of this branch, at which two Charter Members were present: Mrs. F. Rautcliffe and Miss J. Riley. Slides were shown by Mr. Delaney, of the "Magdalen Islands," and "The Art of Gift Wrapping". 350 poppie were distributed to the South Hull Protestant School. BREC-KENRIDGE held a party and invited EARDLEY, Mrs. Macmillan told of Christmas in a Cleveland Hospital; and plans are nearly completed for the restoration of the Municipal Town Hall. EARDLEY had a demonstration of jewellery making by Mrs. S. Beattie. Articles were read, and \$5, sent to the Service Fund. HURDMAN'S HEIGHTS held a Hallowe'en Party and heard articles by the Convenors of Education and Welfare and Health. KAZABAZUA sang carols and brought gifts for shut-ins. LOWER EARD-LEY Mr. Macdonald of Aylmer, showed slides of the St. Lawrence Seaway, Niagara Falls, and the Queen's visit. A candy-making contest was held with Mrs. M. Wright the winner. A chapter from "A Christmas Carol" was read by Mrs. E. WATSON. RUPERT members are knitting and sewing for the Save the Children Fund. A Christmas treat was sent to Brookdale Home and gift parcels to sick and aged. WAKE-FIELD discussed the publishing of "The History of Wakefield," written by Miss B. Robb. Boxes were packed for needy families. WRIGHT had a timely Roll Call, "A Family Tradition at Christmas." Mrs. R. Derby and Mrs. G. Howard, presented a skit entitled, "Christmas Shopping," and a Candle Service was held. Jams, Jellies and Pickles were collected for the Gatineau Memorial Hospital, and a donation sent to the Service Fund.

MISSISQUOI

COWANSVILLE received a year's subscription to "Home and Country," as a Christmas gift from their link W.I. in England. A Rummage Sale netted \$28. \$14 was donated to the Retarded Childrens' Fund. A \$50 scholarship is to be awarded to Barbara Takahashi of Farnham, top Grade IX student at Cowansville High School. FORDYCE had a card party during their Christmas meeting. Made donations to Retarded Childrens' School and Childrens' Memorial Hospital, for Christmas Cheer. STANSTEAD EAST discussed Trading Stamps. Pamphlets on Cooking and Freezing Foods were given out. Two contests were enjoyed: "A Christmas Fashion Quiz," and "Making a Christmas Tree Out of Paper." Each member brought a gift for a child in hospital.

PAPINEAU

LOCHABER had a busy meeting, discussed Trading Stamps, a Short Course, the TV and Radio Survey, and Christmas Cheer. Hospital patients, senior members and sick friends will be remembered.

PONTIAC

BEECH GROVE Local Doctor gave talks on "Measles," and the Blood Clinic in Shawville. The County President was a visitor. BRISTOL Heard a talk on the St. Lawrence Seaway; will send clothing to Brookdale Farm, a home for needy children. Citizenship Papers were received by a member, a native of Holland.

CLARENDON husbands were entertained. Games and contests were enjoyed by members of the Calf Club. QUYON ordered UNICEF. cards, and donated to Hallowe'en Shell-Out. SHAWVILLE presented prizes for a Bridge Marathon; the County Health Doctor spoke on "Mental Health." STARK'S CORNERS discussed articles for 1960 Fair exhibits. A Hallowe'en party was held and a donation sent to UNICEF. WYMAN had an interesting Roll Call: "Something We Like About Another W.I." Layette will be made for the 1960 Fair exhibit and later donated to Pontiac Hospital.

RICHMOND

CLEVELAND The Agriculture Convenor read an article on "Christmas Trees." \$2 donations were sent to the Wales Home and St. Francis High School, held a contest on Christmas corsages. DENNISON'S MILLS had a Santa Claus party for the children. Dancing, contests and refreshments were enjoyed. Sent gifts to the President, who is in Hospital. GORE sent Christmas boxes to the Cecil Memorial Home, and to Veterans and money to the Service Fund, and gifts

exchanged. RICHMOND HILL remembered the Service Fund, and planned social events. MELBOURNE RIDGE applied for a Short Course, and discussed prizes given at Richmond Fair. Planned Christmas Cheer and sent money to a seriously burned child. Radio and TV Evaluation discussed and forms filled in. RICHMOND YOUNG WOMEN'S Institute toured the Bell Telephone premises. Made donations to Hot Lunch Fund at School, to the Cecil Memorial Home, and for Christmas Cheer. SHIPTON collected \$91.40 for UNICEF. in co-operation with A.D.S. High School; held Military Whist Drives, a Chicken Pie supper, and Christmas Tree, and party. Planned Sunshine boxes, flowers, Christmas gifts and cards. Made donations to the Services Fund and to the Farmers' Association. WINDSOR saw a film on Cancer. Clothing and a layette will be sent to the Unitarian Service Committee, and Pamphlets on "Home Food Buying," were distributed.

ROUVILLE

ABBOTSFORD discussed abolishing Trading Stamps. Remembered retarded children and shut-ins, with gifts. Sent 46 jars of jelly to the Diet Dispensary, enjoyed Carol singing.

SHERBROOKE

ASCOT saw slides of the Grace Christian Home, made donations to the Service Fund, the Cancer Clinic, and the S.P.C.A. BELVIDERE held a Tea and Food Sale, a Penny Sale and gave a donation to the Cecil Memorial Home. BROMPTON ROAD enjoyed a card party, and donated to the Bible Society. LENNOXVILLE Mrs. A. Abercrombie gave an account of the Edinburgh Conference, sent 112 knitted squares to the W.V.S. and did 8 hours work at the Cancer Clinic. MILBY was also visited by Mrs. Abercrombie. A Hallowe'en Party was held, and \$36 collected for UNICEF. A paper drive was held and the outside of the Club Room painted.

STANSTEAD

A member of BEEBE W.I. broadcasts every month over Station WIKE Newport, Vermont, for Stanstead County. Donations were sent to Service Fund, and the Childrens' Hospital for Christmas cheer. HATLEY remembered the Service Fund and UNICEF. with donations. A gift was sent to the mother of a new baby. MINTON had a contest on the Province of Quebec, and will send Christmas cheer boxes to children in the community. WAY'S MILLS sent quilts to the Dixville Home, and a gift to the Grenfell Hospital in Labrador. STANSTEAD NORTH broadcast over CKTS in November and entertained the County meeting.

THE PROBLEM OF THE KETTLE (Continued from page 12)

and when she came down she had on her yellow gingham, and her hair was all brushed out and her lips were as pink as a rooster's comb. Right in front of all the kids she gave me a big long kiss and that was her thank you.

We were giving each other valentine looks and squeezes all the rest of the evening. But just before we turned in for the night, I took the tea kettle over to the sink and I said, "Well honey, I guess we're not likely to be rushed for hot water anymore. I suppose maybe we can keep this filled up from now on, eh darling?"

She just smiled at me and I filled it up thinking that at long last, patience and truth had triumphed. But lo and behold the very next Monday night when I came home,

there was the same old tea kettle with just enough water in it to cover its lime scales. And when I looked at my wife reproachfully, she said, "Oh the new water system's lovely, darling but after all, it isn't boiling water, and I do need boiling water still, you know, and when I need it I'm apt to need it in a hurry. So—"

So I don't argue anymore.

ADVERTISING DEADLINE

of the month preceding!

The Canadian Farm Situation

(Continued from page 10)

in the cheese situation in 1959 was almost a 30 per cent increase in production in the Province of Quebec. This conversion of milk from other manufacturing uses was a factor which strengthened the market for all manufacturing milk. Price supports on cheese based on 311/2 cents per pound at Montreal were practically inoperative in 1959. While cheese prices fell sharply at the end of the year due to larger supplies of cheese entering world markets, the cheese industry is generally in the satisfactory position. Per capita consumption of cheese is increasing more than most food products. This, plus our rapidly rising population is expected to keep cheese industry out of difficulties.

Abandonment of price supports on dried skim milk and the sacrifice of large inventories purchased by the government under price supports has greatly improved the position of the concentrated milk industry, to the relief of every one concerned, including farmers. With the general but slight improvement in the position of the dairy industry anticipated for 1960, and with the abandonment of price supports there is no reason to believe that the concentrated milk industry will encounter surpluses or other acute difficulties in 1960. The evaporated milk industry enters 1960 with smaller stocks than a year earlier. Further, the prospect is that demand will continue to increase at least as fast as population. Thus in the absence of price supports dried skim milk will become a domestic industry. This transition should occasion no difficulties.

After a decade of difficult adjustments confronted because of the introduction of margarine into Canada, the dairy industry by

1957 appeared to have made a fairly successful adjustment of output to demand. This situation was then disturbed by the high level of support prices for some products during 1957-59. It appears that the industry may again be approaching a situation of overall adjustment. Due to the continued reduction in numbers of cows, the prospect is for 1960 milk production to be on about the level of 1959 or very little higher. If this expectation is realized, the industry may be able to market virtually its entire production without any great dependence on price supports. While it is yet uncertain whether farmers, consumers, or the trade secured the largest share of the benefit from the 25 cent subsidy on manufacturing milk, we may conclude that its existence kept pressure off further price increases to consumers. With increased population it may become apparent in 1960 that the 64 cent support price on butter is realistic. For the whole industry it would seem advantageous to maintain supports at a level where they do not provide an incentive to any significant increase in production. The dairy industry because of the perishability of its products does not represent a desirable one in which to use any extensive government purchase programme. Further the expectation is that as the industry moves toward an adjustment of output and demand, prices received by farmers will tend to strengthen. This is the outlook for 1960.

However, in view of the very low returns to farmers, particularly those producing milk for manufacturing purposes, even a gradual strengthening of the entire dairy situation will provide little assistance to these farmers, beset as they are, by continuing increase in the costs of production. Adjustments involving a smaller national herd of higher producing cows are needed. It is also necessary to move toward a large number of cows per herd and per worker if returns to individual dairy farmers are to be improved substantially.

Cattle and Calves: Little or no change is in prospect for the cattle market in 1960 as compared with 1959. This forecast is based on cattle marketings in 1959, cattle on farms at the close of the year, the projected increase in national income, the rather steady per capita consumption of beef and the prospects of the United States market.

Net marketings of cattle in 1959 declined 11 per cent under the previous year. Numbers of cattle on farms increased a nominal one per cent. The Canadian cattle situation continued to be strengthened by developments south of the border. The reduced exports this year and the strong tone of the Canadian market reflects in part the remarkably heavy drain of cattle exports in 1958. However, 1959 exports still accounted for 13.5 per cent of net marketings. Cattle marketings have been on the increase since the early 1950's. This past year's decline may indicate a downward turn in the cattle cycle, however, United States cattle numbers are still building up. This build up is expected to continue increasing marketings there and weakening prices, however, no real price breaks are anticipated. United States cattle market conditions are not going to offer the support to Canadian prices as was the case. particularly in 1958. However, Canadian output in 1960 is forecast to be somewhat less than 1959, and exports are expected to hold at 1959 levels.

Canadian beef consumption per capita was down slightly in 1959, but consumer demand held strong even in the face of price weakness on competing meats. The same conditions will continue in 1960.

Thus we project continued strength in the nation's cattle markets, no appreciable price changes are forecast, except a slight weakening as the year progresses. The same seasonal price patterns will, of course, be present. A change in the United States cattle situation could affect our forecast, an unexpected break would certainly be reflected here.

Marketings of calves are expected to decline even further in 1960 as the nations dairy cows decline in numbers (but rise in quality). The export market will strengthen the veal market considerably this year. However, even declining production and steady export markets will not prevent a price decline in 1960. This decline is projected on the basis of strong competition from large low priced supplies of competing meats.

Hogs: The Canadian hog producer faces a year of adjustment as the support programme changes from a "purchase" to a deficiency payment programme on January 11th, 1960. However, hog producers saw pork support prices cut

(Continued on page 20)

RECIPE PAGE

Cold Weather Specialties

M-MMM! What's that delicious smell? Meat Loaf? Oh, Boy!" Or, it could be Pot Roast . . . or short ribs, any of these tasty meat dishes will be a hit with your wintertime hungry folks. For a special delicacy, either as a sandwich spread or to serve on crackers at your next party, try the liver pate. It also makes a wonderful gift, if you bake it in oven glass or one of the new fancy molds. Good for specialty tables at bazaars, too.



MEAT LOAF

11/2 pounds ground beef

½ pound pork sausage

½ cup minced onion

½ cup minced celery

2 cups soft bread crumbs

1 teaspoon salt

½ teaspoon pepper

2 eggs, slightly beaten

½ cup catsup

Combine ingredients in order listed. Mix well and pack into lightly greased loaf pan. Bake at 350 degrees F., for 1 hour and 15 minutes. Makes 6 servings.

LIVER PATE

1 pound calves liver 1/2 pound fresh pork

1 onion

Put meat through food chopper 4 times. Add 2 egg yolks and beat well. Add 2/3-cup whipping cream, 2 tablespoons salt, ½ teaspoon pepper, pinch allspice and ¼ teaspoon ginger. Blend well. Fold in 2 stiffly-beaten egg whites. Place in greased loaf pan. Cover with foil. Bake in moderate oven, 300 degrees F., for 1½ hours. (Place pan in dish of water like a custard). Cool Chill overnight. Turn out and garnish with sieved egg yolks.

SHORT RIBS

3 pounds beef short ribs

3/4 cup rice

½ cup chopped onion

1/2 cup chopped celery

½ cup chopped green pepper

2 teaspoons salt

½ teaspoon pepper

21/4 cups water or bouillon

1 teaspoon Worcestershire sauce.

Cut ribs in serving pieces and brown on all sides in heavy skillet without adding fat, allow 25 to 30 minutes. Remove meat from skillet, add rice, onion, celery, green pepper. Cook remaining ingredients and pour over. Cover and simmer on top of range or bake in moderate 325 degree F., oven for 2 hours, until meat is fork tender. Makes 6 servings.

WIENERS 'N' SAUERKRAUT

1 pound wieners

2 tablespoons fat

1 onion, chopped

3½ cups sauerkraut undrained

2 tablespoons brown sugar

1 tablespoon caraway seeds Salt and pepper Prepared mustard.

Melt fat in heavy large skillet. Add onion and cook until golden. Add sauerkraut, brown sugar, caraway, salt and pepper to taste, mix well. Split wieners almost through and spread each with mustard. Arrange on top of sauerkraut. Cover skillet, bring mixture to boil, reduce heat and simmer 15 minutes. Makes 4 servings.

SAUCY POT ROAST

3 pounds pot roast

3 tablespoons fat

2 teaspoons salt

½ teaspoon pepper

½ cup water

1 cup tomato sauce

3 medium onions, thinly sliced

2 cloves garlic, mixed

2 tablespoons brown sugar

½ teaspoon dry mustard

¼ cup lemon juice

1/4 cup vinegar

½ cup catsup

1 tablespoon Worcestershire

Brown meat in hot fat, season with salt and pepper. Add water, tomato sauce, onions and garlic, cover and cook over low heat $1\frac{1}{2}$ hours. Combine remaining ingredients and pour over meat, cover and continue cooking about 1 hour or until tender. Remove meat to hot platter. Skim off most of fat, dilute gravy with water to suit taste then thicken with thin flour-water paste. Makes 6 servings.

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The Canadian Farm Situation 1959 and Outlook for 1960

(Continued from page 18)

from \$25.00 to \$23.65 on October 1st, 1959 and were warned about the change in programme. Under this programme registered hog producers will be eligible for deficiency payments on 100 Grade A and B hogs per annum. A deficiency payment, if any, will depend on the spread between a national average market price (calculated to be equivalent to a support price of \$23.65 per hundredweight of Grade A carcass, warm dressed, (Toronto) and the national support level. (weighted average, \$22.64)

Hog numbers on farms June 1st, 1959 were about 11.5 per cent over the previous year. Marketing reached a near record 8.8 million, a 27 per cent increase over the previous year and 35 per cent over the 1952-56 average. Consumption was nothing short of phenomenal, thanks largely to increased consumer income and relatively higher beef prices. However, the Agricultural Stabilization Board acquired the equivalent of 1.25 million hogs in its price stabilization operations. This storage pork will not appreciably threaten the Canadian market in 1960 because of the nature of the Boards disposal programme. However, we do have a considerable legacy from the old purchase programme, namely, a greatly expanded national hog herd. The momentum of marketings in early 1960 will be similar to a year ago, however, with the withdrawal of Board support, prices will likely fall substantially. Production for the year is projected to fall 15 to 20 per cent under 1959, mainly due to decreased spring farrowings and thus decreased fall marketings. But even this substantial production adjustment will not strengthen prices in a saturated market — with production distorted by the previous purchase programme.

Domestic consumption will respond to the low pork prices but we cannot expect too much relief through our main export outlet—the United States because their hog producers are feeling a similar squeeze. Further because of our deficiency payment programme we may face embargoes in that market.

Therefore, our price forecast is a fall in the market probably level-

ing off at the \$17 to \$18 per hundredweight level for Grade A carcasses. This price may rise somewhat seasonally only to fall back to this level in the late fall months. The extent of the expected price decline may bring \$14 to \$15 hogs for short periods.

Under the deficiency payment plan 85 to 90 per cent of the hog producers will receive approximately the same price for the 100 or less A and B hogs as guaranteed under the purchase programme. Their returns on other types and on lower grade hogs will be considerably less. In recent years 70 per cent of hogs sold graded B or better, however, grading standards were changed in 1959 - moving the standard upwards. While there is a provision for an interim payment if necessary, it is unlikely that the deficiency payments to farmers will arrive in a timely enough fashion to aid the producer in formulating realistic price and income expectations concerning the hog enterprise. Thus we forecast an over-contraction of the national hog herd in 1960 with the result that in 1961 prices will again rise to a level such that the deficiency payment will be negligible and that the "over-the-100" hog producer will receive profitable prices. Thus the "under-the-100" hog pro-

ducer will have a reasonably good year in 1960, not as good as 1959, the "over-the-100" producer would be well advised to disperse his herd in some manner to minimize the effects of the deficiency payments programme — perhaps selling weanling pigs or feeders is his best profit or least loss route in 1960. However, the "over-the-100" producer can expect a decided improvement in 1961 as hog supplies reach more realistic levels.

Watch the market — we are returning to a very volatile open market unprotected by government floor price purchasing. We will see a return to much more seasonality in hog prices and the three year hog cycle will again become obvious; both were repressed by the action of the Agricultural Stabilization Act and its predecessor Act.

Eggs and Poultry: The prospects for the Canadian poultry industry are mixed. First, we enter the new year with a new type of support programme - namely, deficiency payments for a nominal 4,000 dozen output per egg producing farm. This new programme has changed public and private egg storage needs to those of orderly management of supplies and convenience holdings. Diversion to by-product uses will in the future again become a function of egg prices. The bi-annual peaks and troughs of the production and price cycles will become more obvious as will seasonality in prices. Thus prices and production will be going through a



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period of adjustment due to change in the support programme.

Secondly, number of layers on farms are expected to be down a few percentage points, certainly not up as has been the trend in recent years. Thirdly, production per layer will be in all probability up another two per cent. And, fourthly, while national income and disposable income are expected to increase in 1960 there will be adequate supplies of substitute foods to attract the consumer's dollar; thus there is no reason to believe that per capita egg consumption will increase and that the demand for eggs will strengthen.

With the change in market support from purchase to deficiency payments on October 1st, 1959, the Canadian egg market has deteriorated considerably. At the close of 1959 egg prices were 30 per cent lower than a year previous. Prices were down 20 per cent in west coast markets, 33 per cent on prairie markets, 30 per cent in Ontario and Quebec and 40 per cent in some Maritime markets.

The deficiency payments will, of course, ease the price fall for some farmers. Apparently 86 per cent of the registered producers with 42 per cent of the hens will, because of their small flocks receive about the same price for their Grade A large eggs as they did before the deficiency payment programme. However, other grades of eggs, (approximately 25 per cent of their output) will be subject to substantially lower prices and the deficiency payment or interim payments will undoubtedly not arrive in time to aid these producers in formulating plans for 1960-61 production. The six per cent of the producers with flocks running 1,000 birds and over, who also have 42 per cent of the hens, will under the terms of the deficiency payments programme not receive support for the largest part of their output. This group of producers, as well as those producers with say 250 to 1,000 birds have and will experience substantial cuts in income in the winter and spring of 1960.

The amount of the deficiency payment (if any) will be determined on the basis of the national average prices of Grade A large and extra large eggs as compared to the base support price. Thus the "to be determined support price" will in all likelihood be 80 per cent of the 1949-58 base price, namely, 44 cents per dozen. Thus a registered egg producer may re-

ceive a payment on up to 4,000 dozen Grade A large or extra large eggs that have been marketed through grading stations or retail outlets. For example, if the national average price is 40 cents, the producer of 4,000 or more Grade A eggs may expect a payment of four cents per dozen or \$160. His own average price received may be more or less than the 40 cents in the example suggested here.

Poultry numbers on farms declined one per cent this past year as compared with 1958; hens and chickens, however, declined even more (3 per cent). However, pullets and thus new layers on farms this winter are reported to be down nine per cent; egg production is down slightly. The reduction in layers is offset in part by the upward trend in rate of lay per bird. The reduced numbers of pullets in the laying flock will mean the total production of eggs will decline more rapidly as the laying year advances.

While we project consumer income to increase in 1960, we cannot indicate that the demand for eggs will strengthen. Per capita egg consumption is remaining fairly steady. Egg consumption has not apparently responded to the low prices of experienced recently—reflecting the low response of consumption to price and income changes.

Thus we predict that egg prices will remain at levels averaging 30 per cent below those received a year ago for the first months of 1960, then prices will gradually rise. Late summer and fall prices should reach the old support level. During the late fall and winter of 1960-61 prices should equal or surpass the old support level. This forecast indicates that while a deficiency payment will be necessary for 1959-60 egg production that it is unlikely that any will be required in 1960-61.

This projection is based on the assumption that the government programme will not change and on the fact that current low egg prices will influence poultry farmers to cut back pullet replacements in 1960 as much as 10 per cent. This follows an intended nine per cent cut in 1959 — the total reduction may yield as much as a 20 per cent smaller national laying flock by the winter of 1960-61. Allowing for increased rate of lay, total egg production could fall by 15 per cent.

This forecast should mean this

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to the poultry farmer, be he large or small and assuming he has a reasonably efficient set-up, that the current low and unsatisfactory returns are temporary; the situation will ease considerably in the latter half of 1960 and 1961 will be a good year. Prices will gradually rise from their present low. Thus if you can justify being in egg production at all you should not contract plans for spring placements at this time - let others do that. In the future we can also expect more seasonality to be expressed in egg prices, this phenomenon was repressed by the purchase programme. The price cycle will again become more obvious than it had been under the purchase programme - every other year will be a good year.

Poultry Meat — Broilers and Turkeys: The production and consumption of poultry meat have both been on an upward trend and this trend is expected to continue, broiler and turkey prices have generally adjusted downward. Apparently unit costs have also declined in response to increased efficiency in feed conversion and economies of scale as flock sizes increase in the industry.

Total poultry meat production increased about 10 per cent in 1959 setting another new production record. Prices have for broilers averaged the lowest on record 18.4 cents in Toronto and turkey prices too set a new low. It is not expected

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that the low prices will stop the growth in either line of poultry meat production. But a decreased rate of growth is to be expected in 1960. Low prices have stimulated consumption, leaving the storage situation similar to a year previous. Increased competition due to plentiful supplies and lower pork prices, however, may add a damping effect in 1960. But per capita consumption will undoubtedly increase, not decrease. Thus we forecast a somewhat strengthened poultry meat market in 1960. Turkey producers may expect higher prices reflecting the decreased rate of growth of the industry in 1960 while demand steadily strengthens. Broiler prices should improve at least in the first half of 1960, reflecting decreased replacements in the fall of 1959. While prices may again decline in the latter half of 1960, it is not expected that they will decline to 1959 levels. Growth of production is expected to continue, particularly in newer producing areas and hold steady in the main producing areas.

Farmers in these lines of production should make every effort to remain as flexible in production as possible, be prepared to contract as well as expand broiler operations, dropping out for a placement when heavy overall placements indicate unprofitable prices

are ahead. Turkey producers too as well as adjusting flock size can start poults that are two way propositions i.e., can be marketed as lightweight birds or heavies. If overall expansion of the industry suggests unprofitable final market prices — market at least some of your flock as started poults — often others do not want to head obvious market warnings.

WHAT THE OUTLOOK MEANS TO THE FARMER

This outlook analysis suggests that 1960 will not present as favourable conditions for agriculture as the previous year. While this conclusion is warranted for the industry, it must also be observed that on the average the net income per farm will decline only slightly in 1960 from the level attained in 1959. This latter fact can in part be attributed to the continued trend in farm consolidation. It is estimated that farm prices generally will be a little lower due in part to agricultural production growing at a faster rate than population and the inherent low income and price inelasticity of demand for agricultural products, and in part to the short-run price depressing impact of the changed price support programme. Farm costs will continue to rise, unabated.

The position and the outlook for wheat are adverse, costs will continue to rise while the price picture is not likely to improve. No particular price strengthening is forecast for feed grains. The farm price outlook in this sector of agriculture particularly rules out an improvement in farm incomes except that achieved by greater efficiency in production and marketing. This requires careful planning of the farm business for 1960.

The dairy farmer's position improved slightly in 1959 and a further slight improvement is projected for 1960. Rising farm costs cancelled much of a net income improvement which normally would have resulted from this to rising prices, in fact most of this improvement may more properly be credited to farm and herd size enlargement. As in wheat farming, individual dairy farmers best hope of income improvement in 1960 lies through the route of production and marketing efficiency.

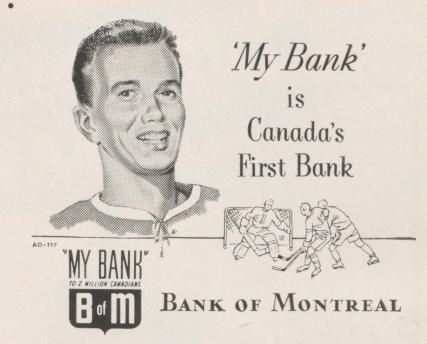
The beef cattle situation has been reasonably favourable and it is projected that this situation will not deteriorate appreciably in 1960. While the price outlook is not unfavourable, costs will rise; thus even the cattle producer will face declining net income unless he too strives for greater production and marketing efficiency.

In swine production especially the "over the 100" producer faces very serious price and income cuts. The deficiency payment programme will ease the price situation considerably for the "under the 100" producer. Similarly, with egg producers the price situation is serious. Prices might be said to levels at disastrous for the "greater than 4,000 dozen per annum" producer and this low price situation will in all probability continue until the early summer of 1960 and thereafter progressively improve. For these producers greater efficiency in production and marketing is not the immediate answer. In both hog and egg production, producers are very close to not covering out-of-pocket costs and expenses, and it is not likely that the prospects will improve for at least 5 months in the case of eggs and one year in the case of hogs. These producers might well consider short-run liquidation of some or all of their production, particularly if they have alternative uses for their facilities, feed and labour e.g. In the case of eggs if you are losing money now don't leave the adjustment up to the other "guy" - the adjustment will not occur rapidly enough. The large scale hog producer may find it advisable to change the nature of his operation to that of marketing weanling or feeder pigs to the less-than-100 hog producer. The latter producer, of course, is eligible for deficiency payments. The projected fall in price of eggs and hogs is shortrun phenomenon that will remedy itself as production contracts.

The turkey and broiler producers have just experienced a very low margin season. In the coming year prices for poultry meats can be expected to strengthen. Broiler producers particularly have learned that in addition to developing large scale efficient production units that they may from time to time have to drop out of production to minimize costs. Turkey producers, too, should build in as much flexibility as possible.

Thus the outlook situation in the main presents farms with challenge to strive on for greater efficiency in their own operations. To obtain these improvements in efficiency involves careful re-planning of the organization of the farm the use of land, rotation systems, adapting livestock to crops produced and to available labour, using full and effective utilization of labour. It means studying the farm business so as to use the most economical feeding and breeding practices, the most profitable fertilizer applications and optimal machinery combinations. In the farm extension workers of Canada, farmers have available to them a group of highly trained and practical men who will willingly work on these problems.

It is frequently charged that farming is inefficient — often this charge has no meaning. But agriculture is inefficient when a farmer employs his valuable labour on low yielding grain crops, or when he employs his valuable labour on cows that produce 4,000 to 5,000 pounds of milk per year. It often seems almost impossible for the farmer to break away from, low productivity situations like those indicated above. But it can be done, and must be done. Sometimes the method is by farm planning with the assistance of the county extension worker. Sometimes credit is required for land improvements, for improving livestock, or for buildings or machinery. Small amounts of credit often work miracles. And credit is more readily available to a farmer who has worked through a farm plan and presents the results to a banker or other credit agency. On most



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farms, some production credit will pay returns of 20 to 30 per cent and even more per year. But it must be used as part of a farm plan with specific production targets to be reached in one year. two years, and five years. This is farm planning.

WHAT THE OUTLOOK MEANS TO THE FARM POLICY

The short-run implications to policy of this situation and outlook are that programme changes if possible should be tempered and not made abruptly. The shift to the unprotected market with partial deficiency payments to producers might well be accompanied by a stop-loss purchase programme to ease the industry at least through the early transition stage. We question the advisability of forcing the large specialized producers to bear the brunt of the adjustment from one programme to another. The deficiency payment suggests another change that may have long range detrimental effects, namely, a movement away improving efficiency Canadian agriculture. If we are to protect the interests of the Canadian consumer and also keep our agriculture competitive with the efficiency in competing producing countries, deficiency payments as exemplified by these two programmes (eggs & hogs) appear not to be a move in the right direction.

Agriculture on the western prairies still is in a critical position, caught as it is between rising costs and declining prices. Other areas and products have their problems too but none are more crucial than the plight of the western farmer. A new approach to the problems of the region is warranted, just as the Wheat Pool movement and the Canadian Wheat Board movement represented new and constructive approaches to difficult problems in other days. And while financial aids as deficiency payments may serve appropriately for a short period of years, the problems of wheat are long-run and a new approach must be found. This requires equal attention to adapting Prairie agriculture to the prospective domestic demands for all farm products and to appraising grain export prospects and problems over the next decade or more. As a result of such studies, it might be hoped that Canada would become again the dominant voice of world wheat questions.

The basic problem faced by Canadian agriculture is that of excess resources employed in the industry relative to the rapid technological gains in agriculture. Because of the nature of the forces operating on demand and supply of food, there is little likelihood of relief in the near future. Thus what is needed is a farm policy and programme to promote adjustments of resources in agriculture to the prospective demand for its

products.



THE MACDONALD LASSIE